NEWS FROM
ECONOMIC DEVELOPMENT COUNCIL OF NORTHEASTERN PENNSYLVANIA

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Serving Carbon, Lackawanna, Luzerne, Monroe, Pike, Schuylkill and Wayne Counties

FOR IMMEDIATE RELEASE:

ECONOMIC DEVELOPMENT COUNCIL RELEASES INFORMATION ON TAX INCENTIVES FOR REHABILITATION

As part of the Federal Economic Recovery Act of 1981, tax incentives have been provided that directly benefit investment in the rehabilitation of older buildings. Howard J. Grossman, Executive Director of the Economic Development Council of Northeastern Pennsylvania (EDCNP) stated that, "Incentives in the new law make property rehabilitation a much more attractive investment than was previously possible and could prove to be a major catalyst for capital investment in declining business areas and neighborhoods. While Congress first provided tax incentives in the Tax Reform Act of 1976, the new 1981 Act provides greater tax savings to owners, investors and building users who undertake rehabilitation projects."

Tax credits are based on a structure's age and historic significance; that is, is it designated on a historic register? Credits may be carried back three years and forward 15 years. Rehabilitated buildings leased to tax exempt organizations and governmental units qualify for the investment tax credit.

While single family owner occupied residences are excluded from this tax incentive program, taxpayers may utilize the credit for portions of multi-family historic structures which they do not occupy. Non-historic residential projects do not qualify for rehabilitation credits.

Since use of the tax incentive program is complicated, the Council strongly recommends any intended user to seek advice from knowledgeable persons before proceeding with a project.

Further information may be secured by contacting the Economic Development Council's Housing Technical Assistance Planner, Robert Quinn, at Box 777, Avoca, PA, 18641.